

CERTIFICATE

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF OGBOMOSO SOUTH LOCAL GOVERNMENT, AROWOMOLE FOR THE YEAR ENDED 31ST DECEMBER, 2021

In compliance with the provision of Part VII, Section 66 (Subsections 2, 3 and 5) of Oyo State Local Government Law 2001, Section 5 (Subsection 4) of the State Joint Local Government Account (Distribution) Law 2002 and the provisions of Model Financial Memoranda, the Book of Accounts and General Purpose Financial Statements of Ogbomoso South Local Government, Arowomole for the year ended 31st December, 2020 have been audited.


2. The General Purpose Financial Statements consisting of (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared in line with IPSAS Cash by the management of the Local Government.

3. The audit inspection was planned and performed in accordance with the Generally Accepted Auditing Standards. As a result of the Audit, I have obtained sufficient evidence to State that:

- (a) The revenues from Federation Account were understated due to deductions by the State Joint Local Governments Account Allocation Committee in compliance with the underlisted laws
 - (i) Oyo State Compulsory and Free Universal Basic Education Law, 2005
 - (ii) Primary Health Care Board Law, 2016
 - (iii) Oyo State Local Government Law, 2001
 - (iv) State Joint Local Government (Distribution) Law, 2002

- (b) The expenditures of Local Government were understated due to expenditures incurred centrally by the State Joint Local Government Account Allocation Committee majorly on Universal Basic Education, Primary Health Care and Sundries.
- (c) Some projects and programmes were verified in line with the prevailing administrative guidelines

4. In my opinion, without prejudice to the comments in paragraph 3 above, the SAR and observations contained in the Domestic Report, the year 2021 General Purpose Financial Statements did not show the true and fair view of the financial transactions of the Local Government.



Olusola Olanrewaju Akinola
Auditor-General for Local Governments,
Oyo State

REPORT

OF THE

AUDITOR-GENERAL FOR LOCAL GOVERNMENTS, OYO STATE ON THE ACCOUNTS OF OGBOMOSO SOUTH LOCAL GOVERNMENT, AROWOMOLE FOR THE YEAR ENDED 31ST DECEMBER, 2021

The attached General Purpose Financial Statements of Ogbomosho South Local Government, Arowomole have been examined in accordance with the Oyo State Local Government Law 2001, Part VII Section 66 Sub-sections (2) (3) & (5), State Joint Local Government (Distribution) Law 2002, Oyo State Audit Law 2021, Sections 27, 34 & 35 and the provisions of Model Financial Memoranda for Local Governments.

2. The General Purpose Financial Statements were prepared by the management of Ogbomosho South Local Government, Arowomole and the management is therefore responsible for the contents and the information therein.

3. I have obtained all the information and explanations that I required and in my opinion, the Financial Statements are correct subject to the observations in this Report.

4. COMPLIANCE AUDIT

(A) **Violation of Appropriation Law:** All expenditures shown in the Statement of Actual Expenditure for the year have been authorized as provided by the Law except as follows:

Audit Query No. LQ/OGBS/MA/09/2021: Excess Expenditures Disclosed by the Statement

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020102	2,000,000.00	2,610,000.00	610,000.00
23040104A	10,000.00	280,000.00	880,000.00
Total	2,010,000.00	2,890,000.00	880,000.00

(B) Violation of Provisions of Model Financial Memoranda

(i) Unvouched Payment: The Bank Reconciliation Statement/ prepared as at 31st December, 2021 showed that the underlisted payments were made without raising Payment Vouchers.

Audit Query No. LQ/OGBS/MA/08/2021: Unvouched Payments

a. S/N	Date Cheque Issue	Cheque No.	Bank/Paye	Amount (₦)	Date Presented
1	31/12/2021	1956	Yusuff M. B.	500,000.00	Nil
2	31/12/2021	1957	Ajala S. O.	500,000.00	Nil
3	31/12/2021	1955	Adeniyi J. S.	120,000.00	Nil

(ii) Payment Not Supported by Proper Records/Accounts: The underlisted payments were not supported with evidence of payment i.e. official printed receipts etc..

S/N	Query No.	Amount (₦)	Details	Reasons
1	LQ/OGBS/MA/01/2021	4,057,625.00	De-Damak Nig Ltd Iwo Road in respect of purchase of Amotekun Motorcycle Security Outfit	Unspecified receipts and counter spending directive
2	LQ/OGBS/MA/02/2021	2,104,841.57	Akleve Investment Limited Ibadan in respect of the (Phase II) purchase of Hospital equipment to various Health Centres	Unspecified receipts and counter spending directive
3	LQ/OGBS/MA/03/2021	23,800,315.00	Tech-U Students for the Technical University Scholarship sponsored for 165 candidates in Oyo State	Unspecified receipts and counter spending directive
4	LQ/OGBS/MA/04/2021	2,000,000.00	Mustapha Rasaan Area (Controller NPC) in respect of population census demarcation programme carried out by the Commission	Unspecified receipts and counter spending directive
5	LQ/OGBS/MA/05/2021	50,000,000.00	Ladoke Akintola University of Technology Financial Assistance	Unspecified receipts and counter spending directive

6	LQ/OGBS/MA/06/2021	887,200.00	Oyo State College of Nursing and Midwifery	Unspecified receipts and counter spending directive
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5. FINANCIAL AUDIT

The General Purpose Financial Statements consisting (a) Responsibility Statement (b) Cash Flow Statement (c) Statement of Financial Position (d) Statement of Consolidated Revenue Fund (e) Statement of Capital Development Fund and (f) Notes to the Accounts were prepared under IPSAS Cash.

a. **Statement of Financial Position:** The Statement of Financial Position as at 31st December, 2021 contained the following errors:

Items	Amount Shown in the Statement (₦)	Correct Amount (₦)
Other (Stabilization)	Nil	35,064,263.17
Total Current Asset	116,523,958.99	151,549,367.72
A+B Total Assets	117,420,277.99	152,445,686.72
Net Asset/Equity		
Reserve	72,680,876.00	107,706,284.73
Total Net Asset	72,680,876.00	107,706,284.73

b. **Notes to the Accounts and Basis of the Accounts:** There would appear to be no obvious effort to transit to IPSAS Accrual from IPSAS Cash.

6. COMPLETENESS

a. **Revenue:**

- (i) The revenues from Federation Account Allocation Committee (FAAC) would appear understated by deductions effected by the State Joint Local Government Account Allocation Committee (SJLGAAC) in compliance with the provisions of the State Joint Local Government (Distribution) Law, 2002, Oyo State Compulsory and Free Universal Basic Education Law, 2005, Primary Health Care Board Law, 2016 and Oyo State Local Government Law, 2001.
- (ii) There would appear to be non- payment of Ten Percent State Internal Generated Revenue to the Local Government by the State Government.

- (iii) There would appear to be non-payment of Local Government share of amount realized by the State Government on Land Use Charge as contained in Oyo State Land Use Charge Law 2011.
- (iv) There would appear to be absence of Revenue Laws (Bye Laws) thus making collection of revenue difficult and unenforceable.

b. Expenditure:

(i) The expenditures incurred centrally by the State Joint Local Government Account Allocation Committee on Universal Basic Education, Primary Health Care and others would appear unaccounted for in the General Purpose Financial Statement of the Local Government.

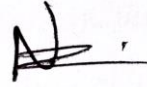
7. **LOSS:** No loss or deficiency was reported or discovered during year under review except as stated in paragraphs 4, 5 and 6.

8. **DISALLOWANCE:** Allowance of conducts and expenditures highlighted in paragraphs 4, 5 and 6 of this report have been reserved pending satisfactory explanations and answers to the queries or sanction of the Public Accounts Committee of the House of Assembly/the State Executive Council.

9. **STATE OF ACCOUNTS:** The Accounts of the Local Government have been examined up to 31st December, 2021 and below is the summary of my recommendations to the Chairman and the management of the Local Governments.

- (a) Provision of minimum Cash holding to cater for unforeseen financial issues
- (b) Improvement in independent Revenue must be adequately taken into consideration i.e. Agric and Estate Department
- (c) Proper and effective maintenance and monitoring of heavy duty equipment
- (d) Sustenance of proper accountability on Stabilization Account
- (e) Proper maintenance of all Capital Projects
- (f) Evidence of receipt of money or acknowledgement letter should be obtained from institutions and other beneficiaries of bursary
- (g) Strict compliance with the circular letter on Asset sharing
- (h) Non-response to Audit Inspection Reports and Queries within the quoted stipulated period.

- (i) Adherence to Appropriation Law
- (j) Passage of Revenue Laws (Bye-Laws) by the Legislative Council



Olusola Olanrewaju Akinola
Auditor-General for Local Governments,
Oyo State

The Chairman,
Ogbomoso South Local Government,
Arowomole.

Office of the Auditor-General for
Local Governments, Ibadan,
Oyo State.

Please furnish an early reply to the query below. You should type your reply on the original copy of the query and return it to the above address. No covering letter is necessary and the duplicate copy should be retained for your office records. Please note the copy to this Query should be self-contained, that is reference should not be made to the copy on another Query

2021 ACCOUNTS


Subject: Excess Disclosed by the Statement

Authorising Officer: Mrs Olabode (HLGA)
Mr. Salami Adesina (DF)

EXCESS EXPENDITURE

Please, quote authority under Part VII, Section 66, Sub Sections 2, 3 & 5 of the Oyo State Local Government Law 2001 for the following excess expenditure appearing in the Annual Financial Statements

Economic Code	Final Approved Provision (₦)	Actual Expenditure (₦)	Excess Disclosed (₦)
22020102	2,000,000.00	2,610,000.00	610,000.00
23040104A	10,000.00	280,000.00	880,000.00
Total	2,10,000.00	2,890,000.00	880,000.00



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2021 ACCOUNTS

Subject: Unvouched Payment

Authorising Officer: Mrs Olabode (HLGA)
Mr. Salami Adesina (DF)


SN	PV No. & Date	Classification	Amount (₦)
1		Bank Reconciliation	<u>1,120,000.00</u>
			<u>1,120,000.00</u>

The above represents payment made to Sundry persons for which no payment vouchers were raised contrary to the provision of Model Financial Memorandum Chapter 14 paragraph 3.

2. It was observed that the payment voucher was not support by proper records or accounts such as printed official receipts contrary to the provision of Model Financial Memoranda Chapter 14 paragraph 17.

3. Please explain or produce the sum of One Million, One Hundred and Twenty Thousand Naira (N1,120,000.00) representing Unvouched Payments and inform this office of the Treasury Receipt particulars of recovery.

4. The payment voucher is hereby attached.



Olusola Olanrewaju Akinola
Auditor-General for Local Governments,
Oyo State